GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1968
ANSWERED ON:29.11.2002
FOREIGN INVESTMENT POLICY
N.N. KRISHNADAS

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is any report presented by the Planning Commission for the Foreign Investment Policy for Tenth Five Year Plan;

(b) if so, the details thereof;

(c) whether there is any move to make a new Foreign Investment Promotion Law by the Government; and

(d) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance & Company Affairs (Shri Anandrao V.Adsul)
(a): Yes, Sir.
(b): The Steering Group on Foreign Direct Investment (FDI) constituted by Planning Commission has submitted its report ir August,2002. The recommendations of the Group, inter-alia, include:
(i) Consider the enactment of a Foreign Investment Promotion Law;
(ii) Urge States to enact a special investment law relating to Infrastructure to expedite all investment in infrastructure sectors;
(iii) Empower the Foreign Investment Promotion Board (FIPB) to give initial Central level registrations and approvals;
(iv) Sectoral FDI caps should be reduced to the minimum and entry barriers eliminated;
(v) The Special Economic Zones should be developed as the most competitive destination for export related FDI in the world; and
(vi) Domestic Policy Reforms in the Power Sector, Urban Infrastructure and Real Estate and de-control/de-licensing should be expedited, etc.
(c) & (d): The Steering Group has made recommendation for consideration to be given to the enactment of a Foreign Investment Promotion Law that incorporates and integrates aspects relevant to promotion of FDI.